

COUNTY OF SAN BERNARDINO

RESOLUTION NO. 99-_____

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO AUTHORIZING THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT ON BEHALF OF THE COUNTY TO PARTICIPATE IN THE FANNIE MAE DOWN PAYMENT ASSISTANCE INVESTMENT NOTE PROGRAM WITH RESPECT TO THE COUNTY'S OUTSTANDING SINGLE FAMILY HOME MORTGAGE REVENUE BOND PROGRAM, AUTHORIZING THE EXPENDITURE OF FUNDS FROM THE HOUSING TRUST FUND WITH RESPECT TO THE SINGLE FAMILY PROGRAM, AUTHORIZING THE EXECUTION AND DELIVERY OF A LEGAL SERVICES AGREEMENT RELATING TO THE PROGRAM AND AUTHORIZING RELATED ACTIONS IN CONNECTION THEREWITH

On Tuesday, August 31, 1999, on motion of Supervisor _____, duly seconded by Supervisor _____, and carried, the following resolution is adopted.

RESOLVED, by the Board of Supervisors (the "Board") of the County of San Bernardino (the "County") that:

WHEREAS, there is a shortage in the County of San Bernardino (the "County") and in certain cities within the County (the "Participating Cities") of decent, safe and sanitary housing particularly of housing afforded by persons in the lower end of the purchasing spectrum, and a consequent need to encourage the construction of homes affordable by such persons and otherwise to increase the housing supply in the County for such persons; and

WHEREAS, the Board of Supervisors of the County has adopted Ordinance No. 2496 on November 17, 1980, declaring its intent to engage in a home mortgage finance program (the "Program") pursuant to Chapters 1 through 5 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") and to issued indebtedness pursuant to the Act in furtherance of the Program; and

WHEREAS, the Act authorizes cities and counties to incur indebtedness for the purpose of financing home mortgages authorized by the Act, and the Act provides a complete additional and alternative method for doing the things authorized thereby;

WHEREAS, pursuant to the terms of certain trust indentures, the County has issued its County of San Bernardino Single Family Home Mortgage Revenue Bonds (Mortgage-Backed Securities Program), 1997 Series A (the "1997 Bonds"), its County of San Bernardino Single Family Home Mortgage Revenue Bonds (Mortgage-Backed Securities Program), 1998 Series A (the "1998 Bonds") and its County of San Bernardino Single Family Home Mortgage Revenue Bonds (Mortgage-Backed Securities Program), 1999 Series A that includes remarketed 1998

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Bonds (the "1999 Bonds", together with the 1997 Bonds and the 1998 Bonds, the "Single Family Program Bonds");

WHEREAS, there is a need for a down payment assistance programs for low and moderate-income buyers and for buyers at or slightly above median income. This pool of potential buyers is especially of interest to new developers whose products are marketed to this income level;

WHEREAS, the Fannie Mae Down Payment Assistance Investment Note Program is a program that provides down payment assistance through second mortgage loans to mortgagors that (a) in the case of any bond financed project, qualify to participate in such bond financed program during the term negotiated with Fannie Mae but not exceeding the designated origination period for such bond programs and (b) in the case of non-bond financed program, are selected by the County to participate in the Fannie Mae Program during the origination period to be negotiated with Fannie Mae and probably not more than one-year, in order to facilitate the sale of single family residences;

WHEREAS, the Housing Trust is a fund that is solely funded with fees paid by developers that make such payments in order to compensate the County for its assistance in the tax-exempt funding of various single family and multifamily housing developments;

WHEREAS, a condition to entering into the Fannie Mae Program includes the willingness of the County to set aside funds in the amount of \$100,000 as collateral for the repayment of any second mortgages that are originated pursuant to the Fannie Mae Program and ECD would like the Board to indicate its willingness utilize \$100,000 of the Housing Trust as collateral for the repayment of any second mortgages that are originated pursuant to the Fannie Mae Program, subject to its review and approval of substantially final documents at a later date;

WHEREAS, ECD would like to enter into a Legal Services Agreement with Preston Gates & Ellis LLP for provide legal services related to the County's participation in the Fannie Mae Down Payment Assistance Investment Note Program;

WHEREAS, the County desires to facilitate the Single Family Program;

NOW, THEREFORE, BE IT ORDERED by the Board of Supervisors of the County of San Bernardino as follows:

Section 1. The Board does hereby find and declare that the above recitals are true and correct.

Section 2. The Board hereby authorizes ECD on its behalf to take the necessary measures required to develop the documents necessary to set forth the County's participation in the Fannie Mae Program. Upon receipt of such documents in substantially final form such documents shall be submitted to the Board for review and approval.

Section 3. In the event the Board gives final approval to the Fannie Mae Program, it will then be willing to permit ECD to utilize up to \$100,000 of Housing Trust Funds as collateral for the second mortgages that are originated pursuant to the County's participation in the Fannie Mae Program.

Section 4. The proposed form of the Legal Services Agreement by and between the County and Preston Gates & Ellis LLP and relating to the Fannie Mae Program, in the form presented to this meeting, is hereby approved. The Chairman, the Vice-Chairman, or the Director of ECD (the "Director"), or the Deputy Director of ECD (the "Deputy Director") (each a "Designated Officer") is hereby authorized and directed, for and in the name and on behalf of the County, to execute and deliver the Legal Services Agreement in substantially said form, with such additions thereto, or changes therein, as are approved by the officer executing said Legal Services Agreement, the approval of such officer to be evidence conclusively by the execution and delivery of such Legal Services Agreement (the "Legal Services Agreement").

Section 5. All actions heretofore taken by the officers and agents of the County with respect to the establishment of the Program with respect to the Fannie Mae Program are hereby approved, confirmed and ratified. The proper officers of the County are hereby authorized and directed, for and in the name and on behalf of the County, to do any and all things, including the expenditure of any funds for the County, and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable in order to consummate County's participation in the Fannie Mae Program in conjunction with the Program.

Section 6. This Resolution shall take effect immediately upon its adoption.

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AYES: SUPERVISORS:
NOES: SUPERVISORS:
ABSENT: SUPERVISORS:

By: _____